SERA POLICY PROJECT

YEAR 4 QUARTER 3 REPORT

TANZANIA ENABLING POLICY ENVIRONMENT FOR AGRICULTURAL SECTOR GROWTH

APRIL 1, 2015 – JUNE 30, 2015

This document was produced for the United States Agency for International Development (USAID/Tanzania) by the USAID Feed the Future SERA Policy Project, Contract Number 621-C-00-11-00003-00.

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YEAR 4 QUARTER 3 REPORT

Contract No. 621-C-00-11-00003-00
USAID Feed the Future SERA Policy Project
Tanzania Enabling Policy Environment for Agricultural Sector Growth

Implemented by Booz Allen Hamilton

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ABBREVIATIONS AND ACRONYMS

AGRA	Alliance for a Green Revolution in Africa
AIRD	Associates for International Resources and Development
BOD	Board of Directors
BOT	Bank of Tanzania
BRN	Big Results Now
CEO	Chief Executive Officer
CI	Custom Indicator
CMEW	Crop Monitoring and Early Warning
COP	Chief of Party
DAEA	Department of Agricultural Economics and Agribusiness
DCOP	Deputy Chief of Party
DFS	Department of Food Security of MAFC
DFSN	Department of Food Security and Nutrition
DMD	Disaster Management Department
DPP	Department of Policy and Planning
EAC	East African Community
ERS	Economic Research Service
FBM	Food Basket Methodology
FtF	Feed the Future
GOT	Government of the United Republic of Tanzania
HBS	Household Budget Survey
IAAE	International Association of Agricultural Economists
iAGRI	USAID Feed the Future Research and Education Project
IFC	International Finance Corporation
IR	Intermediate Result
ISTA	International Seed Testing Association
MAFC	Ministry of Agriculture, Food Security and Cooperatives
MIT	Ministry of Industry and Trade
MIU	Market Intelligence Unit
MLFD	Ministry of Livestock and Fisheries Development
MLHHSD	Ministry of Lands, Housing and Human Settlements Development
MLN	Maize Lethal Necrosis
MLND	Maize Lethal Necrosis Disease
MOF	Ministry of Finance
MUCHALI	Tanzanian Food Security and Nutrition Analysis System
NA	Not applicable
NAFAKA	USAID Feed the Future Staples Value Chain Project

NBS	National Bureau of Statistics
NFRA	National Food Reserve Agency
NFSD	National Food Security Department
OECD	Organisation for Economic Co-operation and Development
PDB	President's Delivery Bureau
PMO	Prime Minister's Office
PMP	Performance Management Plan
PRU	Policy Research Unit
PS	Permanent Secretary
PT	Proficiency Test
RCT	Rice Council of Tanzania
RGoZ	Revolutionary Government of Zanzibar
SADC	Southern African Development Community
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SERA	USAID Feed the Future Policy Project
SME	Small and Medium Enterprise
SOW	Statement of Work
STTA	Short Term Technical Assistance
SUA	Sokoine University
TAHA	Tanzania Horticultural Association
TAPP	Tanzania Agriculture Productivity Program
TASTA	Tanzania Seed Trade Association
TBD	To be determined
TFNC	Tanzania Food and Nutrition Centre
TIC	Tanzania Investment Centre
TOR	Term of Reference
TOSCI	Tanzania Official Seed Certification Institute
UPOV	International Union for the Protection of New Varieties of Plants
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
WB	World Bank

EXECUTIVE SUMMARY

The Tanzania SERA Policy Project (SERA) of the United States Agency for International Development (USAID) Feed the Future (FtF) Initiative is implemented by Booz Allen Hamilton. The SERA Project is focused on improving the policy environment for agriculture, and developing individual and institutional capacity to undertake policy analysis and advocate effectively for policy reforms. SERA began in April 2011, and completed the third full year of operation on 30 September 2014. This Quarterly Report, Quarter 3 (Q3) of Project Year 4 (Y4), covers the period from 1 April 2015 to 30 June 2015.

In Q3 of Y4, SERA continued to support the Government of Tanzania (GOT) in its efforts to improve the agricultural policy environment in Tanzania and develop capacity to undertake policy analysis and advocacy. The presentation of the Policy Options for Food Security and Agricultural Growth and Poverty Reduction in Q2 was well received. In Q3, the GOT agenda was dominated by annual budget preparations and parliamentary sessions, and the forthcoming election on 25 October 2015; however, direct and indirect follow-up communications with the GOT indicate that there are no objections to the recommendations presented and that there is interest in pursuing priority items. Despite the GOT's focus on internal budgeting processes, SERA Project was able to make considerable progress of key policy issues and capacity building activities.

SERA activities included co-sponsoring a seed industry stakeholder's workshop with the Ministry of Agriculture, Food Security and Cooperatives (MAFC) and Alliance for a Green Revolution in Africa (AGRA), research on the implication of food basket costs for food security, the launch of a study on the agriculture business environment, and the development of a Concept Note for a study of food demand in Tanzania. Capacity building activities included meetings with the Department of Food Security (DFS) of MAFC to discuss piloting of the Food Basket Methodology (FBM), and the completion and final training for the Zanzibar Food Basket Methodology. The Strategic Plan for the Rice Council of Tanzania (RCT) was presented and accepted by the council's Board of Directors (BOD). The final report on the Rapid Assessment of the Rice Sector was received and key results utilized by RCT. Communications activities included publication of a Policy Brief on the Secured Transaction/Collateral Registry System to facilitate the use of moveable assets as collateral on loans. Meetings with key Government officials were held to discuss SERA work plan and priority activities for the remaining period of the Project, which is scheduled to end in April, 2016.

A seed industry stakeholder's workshop was held in Arusha on 11 – 12 June 2015 bringing together over 75 representatives from the public and private sectors to discuss progress and remaining challenges on key industry priorities. The MAFC presented progress on key policy issues related to plant breeders' rights, licensing of public varieties, and the status of international accreditations. This activity was co-sponsored with AGRA.

The Policy Brief on the Secured Transactions/Collateral Registry System was published and distributed to key Government officials and stakeholders. The Policy Brief, prepared by SERA consultant Dale Furnish, provides an overview and benefits of the System. The brief will be a

useful tool in garnering support for the activity. The Bank of Tanzania (BOT) is undertaking preliminary work on the System, with additional support from SERA and the World Bank (WB) when appropriate.

Work began on the Food Basket Methodology Policy Brief. The Brief will provide new insights into food security in Tanzania and will be useful in designing better policies to respond to food security issues. When completed it will make a substantial contribution to SERA's work on food security in Tanzania and will demonstrate the usefulness of the Food Basket Methodology for food security analysis.

A study of the business environment in agriculture was launched during a workshop at Coral Beach Hotel on 14 May 2015. The workshop was attended by staff from USAID, Southern Agricultural Growth Corridor of Tanzania (SAGCOT), the President's Delivery Bureau (PDB), and SERA. The draft Concept Note was circulated prior to the workshop and a PowerPoint presentation was given at the workshop. The Concept Note compared corporate tax rates in Tanzania and neighbouring countries, and showed Tanzania to have corporate tax rates that are eight to ten percentage points (20-30%) higher than in neighbouring countries. This was recognized as a significant obstacle to attracting corporate agriculture, and to achieving the objectives of SAGCOT and Big Results Now (BRN). The business environment for Tanzanian agriculture is poor, making it difficult to attract commercial investors, thus providing the reason for the study. The need for the study was fully endorsed by the participants. The study team will include a member from the Ministry of Agriculture, Food Security and Cooperatives, the SAGCOT Centre, and the President's Delivery Bureau for Agriculture. Suggestions from the participants included inviting the Tanzania Investment Centre (TIC) to contribute a member to the study team, and to work closely with the Prime Minister's Office (PMO) and the private sector.

The Concept Note for a study of food demand in Tanzania was developed by Edith Lazaro and circulated for review (Annex 4), and the data and proposed methodology have now been identified. In preparation for the activity, a meeting was held with Mr. Emilian Karugendo, Principal Statistician of National Bureau of Statistics (NBS) to discuss the 2011/2012 Household Budget Survey (HBS) that will be used in the study and to obtain all the data sets and documentation. Discussion where also held with Ms. Nadia Belghith, one of the authors of the recent Poverty Report released by the World Bank. With the preparatory work complete, the research study will begin in Q4.

SERA continued work on the implementation of the Food Basket Methodology on the Mainland and Zanzibar. Discussions with the National Food Security Department (NFSD) of MAFC for a pilot of the Food Basket Methodology continued and for a panel workshop with key stakeholders to discuss questions and concerns regarding use as an early warning tool on the mainland is planned for July 2015.

The Food Basket was completed for Zanzibar and the final training that will lead to the use and implementation of the methodology in future quarterly reporting has started. The training will be completed in Q4.

Two key capacity activities supporting the Rice Council for Tanzania where completed in Q3; the submission of the first Strategic Plan and the Rapid Assessment of the Rice Sector. Both activities contributed significantly to the organization's development, stakeholders' base, and advocacy efforts.

INTRODUCTION

The Tanzania SERA Policy Project assists both the Government of the United Republic of Tanzania and the private sector to enable a broad-based, sustainable transformation of the agricultural sector through policy reform. The vision for this project is twofold: to improve the policy and regulatory environment for agricultural growth and to build a group of public sector institutions, advocacy organizations, and individuals capable of performing rigorous policy analysis and advocating for policy reform. Improving agricultural policies is accomplished by working with the GOT and other stakeholders to identify important policy constraints to growth in the agricultural sector and by helping to alleviate these constraints through policy and regulatory reforms.

The SERA Project conducts and commissions evidence-based policy research to inform the GOT and other stakeholders of the impacts of existing policies and the potential benefits of improved policies. In addition, the SERA Project develops the capacity of individuals, institutions, and organizations to engage in policy analysis and advocate for policy change. At the conclusion of the project, we expect USAID will leave behind an improved policy environment and a legacy of enabling the GOT and other stakeholders to initiate, develop, and utilize evidence-based research in policy decisions and implementation. The SERA Project focuses its activities around priorities identified in collaboration with the Southern Agricultural Growth Corridor of Tanzania initiative.

OVERVIEW

The SERA Policy Project has three primary components: Policy Research and Reform, Capacity Building, and Advocacy and Communications. Other important activity areas include collaboration, leadership, monitoring and evaluation.

Policy Research and Reform

The SERA Project's approach to policy reform is to provide evidence-based research on important policy issues to inform GOT and other stakeholders on policy impacts and options. This has proven to be an effective method of encouraging policy debate and achieving policy reform, such as the lifting of the maize export ban in 2012 that was credited to SERA research by Prime Minister Pinda.

Capacity Building

The SERA Project is engaged in both institutional and individual capacity building in support of policy reform. This includes institutional evaluations and support for strategic planning as well as formal training for GOT staff. Support to individuals includes financial assistance for research on important policy issues and training for selected individuals.

Advocacy and Communications

The approach to advocacy and communication is to provide information and disseminate research findings rather than to publicly advocate for policy reform. This is consistent with our approach to policy reform which is focused on GOT counterparts for policy reform rather than grass roots organizations or other stakeholders.

IMPLEMENTATION PROGRESS

COMPONENT I: POLICY RESEARCH AND REFORM

The SERA Project undertakes analysis and research on important policy issues in an effort to provide evidence-based analysis of policy impacts and provide policy options to government. Some of this research is conducted by SERA staff, and some is contracted to consultants. In all cases, high standards are maintained. Increasingly, the SERA team is invited to join policy discussions at an early stage to provide input on important policy issues and this is an effective way to influence policies while they are still in the early development stages.

Several new research activities were initiated in Q3, including a study of the agricultural business environment and a study of food demand. Both studies will be completed before the end of the project in April 2016 and will leave an improved understanding of important economic characteristic of agriculture and food demand. A stakeholders' workshop was held for seed to bring together MAFC officials and industry actors to discuss recent activities and prioritize future activities.

1. Intermediate Result 1: Improved Agriculture Productivity

A. Seed Policy

Access to high quality seeds is essential to raising productivity and improving the competitiveness of the agricultural sector. However, improved seeds in Tanzania are estimated to be only 15-25 percent of total seeds planted, which is among the lowest in the region. This situation is due, at least in part, to weak enforcement of existing regulations and GOT controls on certain aspects of the seed industry that limits private sector involvement. The SERA Project has supported efforts to improve access to high quality seeds at internationally competitive prices, and to stimulate investment in the seed sector by creating an enabling economic environment for the private sector.

In Q2, SERA Project began to work closely with MAFC Registrar of Plan Breeders' Rights on supporting a National Seed Industry Stakeholders' meeting on Plant Breeders' Rights and Licensing of Public Varieties to discuss the status of release and registration process, plant breeders rights, access to public varieties, and accreditation to the International Union for the Protection of New Varieties of Plants (UPOV) and International Seed Testing Association (ISTA).

After several postponements, the Seed Stakeholders Workshop, co-sponsored with AGRA, was held 11 - 12 June 2015 at Mt Meru Hotel in Arusha. Specifically, the MAFC presented on progress

that has been made to address key concerns, including:

- Understanding the definition of protected seed varieties that seeds are protected by the seed breeder and cannot be released for use without the authorization of the seed breeder.
- The MAFC produced a Circular in 2011 that outlines the conditions for licensing of protected public varieties produced in publicly supported Agricultural Research Institutions. The procedures for the private sector to gain access to these seeds were only produced and gazette in February 2015. The first tender was advertised in 2012 with only two bidders responding, and a second tender was advertised in 2014 with only four bidders, indicating the ineffectiveness of the conditions. These procedures now need to be discussed and issues resolved with the MAFC and industry stakeholders.
- The United Republic of Tanzania has a UPOV 1991 legislation following parliamentary approval of the 2012 law on the Mainland and the 2014 law in Zanzibar. Tanzania is now waiting to submit instruments of accession. In addition, the Republic is completing the requirements to get accreditation to the International Seed Testing Association Quality Assurance System and has applied to join the Organisation for Economic Co-operation and Development (OECD) seed certification scheme.

The SERA Project supported 22 people, all public sector representatives to attend the stakeholders' workshop. Private sector representatives self-financed their trips. The schedule (Annex 1) and meeting summary notes (Annex 2) are attached. The final report from the workshop's facilitator is pending completion and is anticipated to be available in July 2015.

This is the final activity supporting public-private sector dialogue between Tanzania Seed Trade Association (TASTA) and the MAFC regarding plant breeders' rights and licensing of public varieties. This concludes a major component of SERA's support in this activity.

Policy Action Status:

- Stage 4, Passed/Approved.

Tasks planned for Q3:

- Prepare a Policy Paper on greater access to GOT protected varieties.

Completed:

✓ Supported MAFC Seed Stakeholders' Workshop, 11 – 12 June 2015.

Tasks planned for Q4:

- Policy Brief on Seed Policy (in collaboration with SAGCOT).
- SERA Project Seed Policy Activity Report.

Milestones:

- Stakeholder's workshop held as appropriate (Q3).

Resources:

- SERA Senior Advisor
- SERA Deputy Chief of Party (DCOP)/Senior Agriculture Policy Advisor
- SERA Policy Analyst

Key Partners:

- MAFC, SAGCOT, TASTA.

Contribute to:

- Intermediate Result (IR) 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of United States Government (USG) assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation
- Custom Indicator (CI) 1.1.1 Volume of improved seed available in domestic market.

B. Taxes on Seeds and Seed Packaging Materials (Concluded)

High taxes on seeds and seed packaging materials have been identified as one of the constraints to expanded local production and sale of seeds, and the SERA Project is working with the seed industry through MAFC, TASTA, Tanzania Horticultural Association (TAHA) and SAGCOT to improve the tax treatment of seeds and seed packaging materials. The case for reducing taxes on seeds and seed packaging materials was prepared by SERA in collaboration with TASTA and SAGCOT in Year 2 and 3 and submitted to MAFC. This material was used to support MAFC's request to the Ministry of Finance (MOF) to reduce taxes. However, no policy action was taken and the severe budget constraints faced by GOT suggest that improved tax treatment of seeds and seed packaging materials is remote. In addition, upcoming national elections have impacted government priorities. TASTA, TAHA, and the MAFC have the necessary materials to continue working with the Ministry of Finance in future governments. The activity is closed.

Policy Action Status:

- Stage 4, Approval (legislative or regulatory).

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 1.1.1 Volume of improved seed available in domestic market.

2. Intermediate Result 2: Expanding Markets and Trade

SERA Project works to expand markets through improved trade policies, improved market performance, and increased access to credit. Trade policy is an important component of economic policy and an enabling economic environment. The SERA Project has previously focused on two important trade policy issues. The first is the requirement of the MAFC that traders obtain export and import permits from the GOT before undertaking trade. The second is to address the ad hoc approach of GOT to emergency food imports that can disrupt markets and are vulnerable to rent seeking. A new policy issue arose in Year 3—promoting exports in an effort to reduce surpluses and raise producer's prices. SERA Project offered to support his activity but the offer was not taken up by the DFS in the MAFC and no further action is planned. Improved

credit also contributes to expanding markets and trade, and is addressed by the collateral registry system being developed by the Bank of Tanzania. SERA is also researching the performance of maize and rice markets and exploring policy alternatives to increase market efficiency, and exploring a study on gender and maize markets.

A. Export Permits

Permits are required from the Ministry of Agriculture, Food Security and Cooperatives to import or export food crops. The confusing, lengthy, and costly procedure for obtaining permits has led to widespread efforts to circumvent the system. Research conducted by the SERA Project in Years 1 and 2 showed that export permits do not provide accurate information on export levels nor do they control the flow of exports. Imports are similarly controlled by permits and traders report that food crops are often imported without appropriate permits.

The government announced the temporary decentralization of the export permit system on 12 October 2014. The temporary decentralization grants the Regional Commission Administrators the authority to issue export permit for staple crops, mainly maize. Permits are still available from the MAFC National Food Security Department.

The Food Security and Policy Options Paper presentation in Q2 included the following recommendation and action regarding the Export Permit System:

Recommendation: Promote private-sector led agricultural exports by reducing trade barriers and streamlining export approval requirements.

Action: Remove export permits and streamline granting of other permits required for exports.

The GOT has expressed interest in setting this recommendation as a priority item and the PMO has requested additional guidance on the appropriate use of export permits. SERA Project has been advised that the PMO Permanent Secretary (PS) intends to convene a GOT stakeholders meeting to discuss next steps. It is anticipated that follow up action on this recommendation will be combined with activities that support the implementation of a Transparent Rules-Based Emergency Import System.

Policy Action Status:

- Stage 2, Stakeholder consultation/public debate.

Tasks planned for Q3:

- Finalize background papers.
- Engage with PMO to develop an implementation plan.

Task planned for Q4:

- Finalize background papers.
- Engage with PMO to develop an implementation plan *(pending GOT action)*.

Milestones: To be determined (TBD).

Resources:

- SERA Senior Advisor

- SERA DCOP/Senior Agriculture Policy Advisor
- SERA Policy Analyst

Key Partners:

- BRN, PMO.
- MAFC – Department of Policy and Planning (DPP).
- NAFAKA - Associates for International Resources and Development (AIRD).

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

B. Transparent and Rules-Based Import Policy

Emergency food imports are allowed on a case-by-case basis and often unduly disrupt markets as was the case when GOT allowed duty-free rice imports during January to March 2013. A more transparent and less disruptive policy would be for the GOT to enforce existing tariffs and allow the private sector to import and export freely based on market conditions. The SERA Project presented a series of recommendations and options in the Food Security Policy Options Paper and is ready assist the GOT in designing and implementing a rules-based and transparent mechanism to allow emergency food imports.

The GOT has express interest in setting this recommendation as a priority. SERA Project has been advised that the PMO PS intends to convene a GOT stakeholders meeting to discuss next steps. It is anticipated that follow up action will be combined with activities that support recommendations to remove barriers to trade, such as the export permit system and the creation of a Market Intelligence Unit (MIU).

MAFC DPP has informed SERA that concept papers on the creation of a MIU were being developed. Follow-up activity is pending GOT invitation.

Policy Action Status:

- Stage 2, Stakeholder consultation/public debate.

Tasks planned for Q3:

- Work with GOT to implement a Rules-Based Emergency Food Import Policy.

Tasks planned for Q4:

- Work with GOT to implement a Rules-Based Emergency Food Import Policy *(pending GOT action)*.

Milestones:

- Rules-based transparent system presented to GOT and other stakeholders (Q2).
- Implementation plan and capacity building action plan created (Q3).
- Capacity building provided (Q4-Y5).

Resources:

- SERA Senior Advisor
- SERA DCOP/Senior Agriculture Policy Advisor
- SERA Policy Analyst

Key Partners:

- MAFC, PMO, NAFAKA - AIRD, SAGCOT.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

C. Export Promotion (Concluded)

Tanzania has a history of restricting exports of food crops, but had a large cereals surplus in 2014. This led to discussions with key GOT officials on ways to promote exports in order to clear the surplus before the next planting season. This activity focused on relaxing policy constraints in order to facilitate exports. Various ideas have been considered, including fast tracking export procedures, facilitating the ease with which foreign traders can buy in Tanzania, and promoting the availability of surplus supplies to traders in neighbouring countries. The DFS of MAFC did not express interest in this activity and no further activity is planned.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

D. Credit to Smallholders and SMEs /Collateral Registry

Credit is essential to investments and delivering credit to small and medium enterprises (SMEs) and small farmers has been a challenge in Tanzania because of the lack of assets that can be used as collateral. Land cannot generally be used as collateral because most land is owned by the government and held in common by local communities. Other assets such as machinery have been used as collateral in other countries, but not extensively in Tanzania due to the weak legal structure and undeveloped registry to record liens against such assets. The SERA Project is working to improve this situation by completing the legal requirements for a modern collateral registry system. The new registry system will help SMEs to use moveable assets as collateral and will also benefit smallholders with limited assets. The SERA Project has agreed to collaborate with the World Bank on this important activity, with the World Bank providing financial support for the necessary computer equipment and software, and SERA providing policy support. Capacity

to use this system will then be developed through trainings and capacity building activities. The Food Security and Policy Options Paper restated the importance of the Collateral Registry and included its establishment as part of the recommendations. Efforts have been made to address internal bottlenecks within the BOT. In addition, SERA Project completed a policy brief (Annex 3) and has distributed copies to key stakeholders and partners.

Policy Action Status:

- Stage 2, Stakeholder consultation/public debate.

Tasks planned for Q3:

Completed:

- ✓ Policy Brief completed and distributed to key stakeholders.

Tasks planned for Q4:

- Distribute Policy Brief and meet with private sector stakeholders.

Milestones:

- Draft legislation presented to the MOF (Y4).
- Draft legislation presented to parliament for approval (Y4).
- Computer equipment procured (Y5).
- Training program for primary users designed (Y5).

Resources:

- SERA Senior Advisor
- SERA DCOP/Senior Agriculture Policy Advisor
- SERA Policy Analyst
- Short term technical assistance (STTA) Legal Expert, Dale Furnish
- M&N Law Associates

Key Partners:

- BOT, World Bank.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- IR 4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training.

E. Improving Performance of Maize and Rice Markets/Improve Markets

Improving the food crop market's performance could result in higher prices to producers and lower prices to consumers as prices would adjust more quickly to changes in market conditions, and crops would move more quickly from surplus to deficit areas. The SERA Project's research to better understand the performance of the maize market, *Drivers of Maize Prices*, was submitted and accepted by the International Association of Agricultural Economists (IAAE), and will be presented in Milan, Italy in Q4. Research is ongoing to examine other aspects of market efficiency

such as the relationship between farm-gate and local market prices, and research on the Drivers of Rice Price that will complement previous research on the maize markets.

Policy Action Status:

- Stage 2, Stakeholder consultation/public debate.

Tasks planned for Q3:

- Continue research paper on comparing farm-gate and market prices and study of rice market efficiency.

Tasks planned for Q4:

- Continue research paper on rice market efficiency.

Milestones:

- Research results presented to stakeholders (Q1).

Resources:

- SERA Senior Advisor
- SERA DCOP/Senior Agriculture Policy Advisor
- SERA Policy Analyst
- STTA Economist, Varun Kshirsagar

Key Partners: Not applicable (NA).

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

3. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition

An enabling environment is essential to a competitive private-sector led agricultural sector. The SERA Project has several activities designed to improve the enabling environment, including reviewing food security policies, reviewing operations of the National Food Reserve Agency (NFRA), improving land policies, and improving the business environment.

A. Food Security

The presentation of the Policy Options for Food Security, Agricultural Growth and Poverty Reduction in Tanzania on 27 February 2015 was the primary deliverable for this research and policy reform activity. The Paper concluded our research efforts to provide mainland Tanzania with options for a more comprehensive food security program. Follow-up meetings with the PMO indicate that the GOT has no objections with the recommendations made; however, there is interest in several specific key recommendations:

- Implement a Collateral Registry System;
- Rules-Based System for Emergency Food Imports;
- Limiting the Use of Export Permits;

- Strengthen the Monitoring of Food Imports and Enforcement of Tariffs;
- Creation of a Market Intelligence Unit;
- Adoption of the Food Basket Methodology to Estimate Food Costs.

The Permanent Secretary of the Prime Minister intends to hold a meeting of key government stakeholders to review the policy options and discuss priorities prior to the forming of the new government. Continued support will be provided to prioritize policy recommendations and actions, and support implementation.

Policy Action Status:

- Stage 2, Stakeholder consultation/public debate.

Tasks planned for Q3:

- Finalize Policy Options Background Papers.
- Support the GOT to prioritize recommendations and actions.

Tasks planned for Q4:

- Finalize Policy Options Background Papers.
- Support the GOT to prioritize recommendations and actions *(pending GOT action)*.

Milestones:

- Food Security Policy Options Paper presented to GOT (Q2).
- Food Security Policy Options Paper presented to stakeholders in public workshop (*revised* TBD).

Resources:

- SERA Senior Advisor
- SERA DCOP/Senior Agriculture Policy Advisor
- SERA Policy Analysts

Key Partners:

- NAFAKA - AIRD.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

B. National Food Reserve Agency/Food Security (Concluded)

An assessment of the policies and procedures of the National Food Reserve Agency was initiated in Year 2 as part of SERA Project's on-going work to identify policy option for food security. That assessment provided an improved understanding of Tanzania's emergency food requirements and implementation capabilities. The Policy Options for Food Security paper presented final recommendations and actions in support of this activity. In summary, NFRA is mandated to hold food reserves for food assistance and emergency purposes; it should not be called upon to engage in other activities such as price contracts. To the extent that NFRA is required to engage

in such activities, its budget should be increased to compensate for associated costs. NFRA should operate in a business-like manner, and buy and sell grain stocks at prevailing market prices in order to reduce disruptions to local markets and budgetary requirements. The overall reception to the Policy Options for Food Security Paper was positive, and concerns over the strategic role of the NFRA were discussed at length. No further work is anticipated on this activity.

Policy Action Status:

- This activity is part of the Food Security Policy, Stage 2.

Tasks planned for Q3:

Completed:

- ✓ Finalize and distribute research paper.

Tasks planned for Q4: None.

Milestones:

- Assessment report completed and presented to GOT (Q4).

Resources:

- SERA Senior Advisor
- SERA DCOP/Senior Agriculture Policy Advisor
- SERA Policy Analysts

Key Partners:

- NAFAKA - AIRD.

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.

C. Agriculture Business Environment Study

The business environment faced by agricultural producers in key value chains is not well represented in existing reports like the World Bank's Doing Business Indicators or the World Economic Forum's report on competitiveness. These studies are focused on economy-wide business conditions and are not sector specific. The SERA Project has begun a study of the agricultural business environment in Tanzania and neighboring countries. In Q3, SERA Project held a kick-off workshop for all partners at Coral Beach Hotel on 14 May 2015. The workshop was attended by Sharon Pauline, USAID; Geoffrey Kiringa, Chief Executive Officer (CEO) of SAGCOT; Emma Isinika, PDB Agriculture; Marialyce Mutchler, SERA Chief of Party (COP); Alex Mkindi, Josephat Kanyunyu, Aneth Kayombo, and Edith Lazaro (SERA staff). A representative from MAFC DPP, Mr. Daktari Hango was unable to attend due to other commitments; however he met with Edith Lazaro, activity coordinator, to discuss the presentation. The draft Concept Note was circulated prior to the workshop and a PowerPoint presentation was given at the workshop. The Concept Note compared corporate tax rates in Tanzania and neighbouring countries, and showed Tanzania to have corporate tax rates that are eight to ten percentage points (20-30%) higher than in neighbouring countries. There is wide spread recognition that the business environment for Tanzanian agriculture is poor and, when compared to neighboring country, is very uncompetitive.

Suggestions from the participants included inviting the Tanzania Investment Centre to contribute a member to the study team, and to work closely with the Prime Minister's Office and the private sector. A follow up meeting was held with Mr. Peniel Lyimo, Deputy CEO of the President's Delivery Bureau for Agriculture. Mr. Lyimo suggested focusing on the sugar and rice sectors since they are the major value chains identified as priorities in the BRN framework. The SERA Project held a follow-up meeting with the TIC Director of Investment Facilitation on 25 June 2015.

Policy Action Status:

- Stage 1, Analysis.

Tasks planned for Q3:

Completed:

- ✓ Revise and finalize Concept Note.
- ✓ Initiate research activities with partners, SAGCOT Center, PBD and MAFC DPP.

Tasks planned for Q4:

- Revise and finalize Concept Note following comments received at kick-off meeting.
- Begin field research.

Milestones:

- Desk study completed (Q2).
- Statement of Work (SOW) for field study approved (*revised* Q3).
- Field research completed (*revised* Q4).
- Draft report delivered (*revised* Y5).
- Final report delivered (Y5).

Resources:

- SERA Senior Advisor
- SERA DCOP/Senior Agriculture Policy Advisor
- SERA Policy Analysts

Key Partners:

- SAGCOT.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

D. Land Policy

Only one-quarter of the land suitable for cropping in Tanzania is actually used to grow crops, which suggests that there is substantial land available to expand agricultural production by new investors and existing farmers. However, much of this is used for other livelihood activities by people with informal use rights. These people are often displaced when land is allocated to investors. The SERA Project was invited to undertake a study on Compensation and Benefits Sharing approaches used in the region by the Ministry of Lands, Housing and Human Settlements

Development (MLHHSD). The study was completed and presented to MLHHSD for comments prior to convening a national stakeholder's workshop.

Following a courtesy call between Ambassador Childress, USAID Mission Director Cromer, and Minster Lukuvi from MLHHSD, USAID was invited to meet with several members of the Ministry to brief them about the overall USAID activities in the land sector, and to have a more in-depth discussion about the Land Compensation and Benefits Sharing Scheme study completed by USAID's SERA Policy Project. Those in attendance at the 20 April 2015 meeting included: Mary Hobbs, Harold Carey, and Merrica Dominick from USAID; Marialyce Mutchler and Alex Mkindi from the SERA project; Dr. Ringo Tenga who wrote a legal opinion for the study; the Commissioner of Lands, Moses Kusiluka; the MLHHSD Directors of Urban Planning, Survey and Mapping; the Registrar of Titles; and the Government Chief Valuer.

The MLHHSD staff expressed significant concern regarding the implications of the legal opinions but were open to utilizing information from the study in their current efforts to review and revise Tanzania's land laws. Concerns raised included apprehension of direct negotiations between villages and investors, wariness about what the findings meant for the current land leasing system, and implications to the Government's perceived mandate to oversee land transactions in a way that allows for investments to occur, but not at the exploitation of uninformed villagers. The Commissioner of Lands is compiling written responses that will be forwarded to USAID before continuing discussions about dissemination of the legal opinions to other stakeholders outside of the government.

Policy Action Status:

- Stage 2, Stakeholder consultation/public debate.

Tasks planned for Q3:

- Contact MLHHSD to receive comments and a schedule for distribution of report and presentation at national workshop.

Completed:

- ✓ Presentation of the Land Compensation and Benefits Sharing Report made to MLHHSD. *Comments are forth coming. No date for distribution or national workshop has been set.*

Tasks planned for Q4:

- Receive and incorporate comments.
- Schedule distribution of report and presentation at national workshop.

Milestones:

- Release of study and Policy Brief (*revised* Q3).
- National Workshop held (*revised* Q3).

Resources:

- SERA Senior Advisor
- Landesa

Key Partners: NA.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

E. Price Stabilization (Concluded)

The MAFC has replaced the input subsidy program operating since 2008 with two new programs, including a price stabilization program for selected cash crops. Since such price stabilization programs have been tried in other countries without success, the SERA Project planned to prepare a Policy Brief on these experiences in an effort to inform GOT on the international experience. However, this activity is being done by Michigan State University and no further action is planned by SERA Project.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.

F. Food Demand Study

The SERA Project has begun a study of food demand in Tanzania based on the 2011/12 Household Budget Survey. This study will be undertaken by Edith Lazaro, a research associate on SERA, with guidance from the Senior Policy Advisor, Don Mitchell.

In preparation for the activity, a meeting was held with Mr. Emilian Karugendo, Principal Statistician, of National Bureau of Statistics to discuss the 2011/2012 Household Budget Survey that will be used in the study and to obtain all of the data sets and documentation. The HBS contains surveys of over 10,000 households and provides the cross section data needed to estimate food demand. A call was held with Nadia Belghith of the World Bank to get her insights into the data quality. Ms Belghith is one of the authors of the recent Poverty Report released by the World Bank and was based on the HBS data. She provided very useful details on the survey, specifically that the survey was of much higher quality than the previous HBS done in 2007/2008. She also sent several data sets that estimate key data sets for the food demand study.

The study will contribute to a better understanding of current food demand and provide a basis to project food demand in the future. Such information is essential to evidence-based policy decisions and strategic planning. The Concept Note has been prepared (Annex 4) and circulated for comments from knowledgeable experts.

Policy Action Status: NA.
Tasks planned for Q3:

Completed

- ✓ Draft and finalize Concept Note.

Tasks planned for Q4:

- Begin research.

Milestones:

- Research Report completed (Y5 Q1).

Resources:

- SERA Senior Advisor
- SERA Senior Agricultural Policy Advisor
- SERA Junior Researcher

Key Partners:

- iAGRI.

Contribute to:

- CI 4.1.1 Number of research outputs.

COMPONENT II: INDIVIDUAL AND INSTITUTIONAL CAPACITY BUILDING

The SERA Project's approach to capacity building is twofold. The first approach focuses on institutional capacity building activities of selected organizations that can provide the greatest impact to support development of an enabling policy environment. The second approach addresses increasing capacity for research and evidenced-based policy analysis of individuals through training and support for research and policy analysis.

In Year 4, the SERA Project will continue to focus on public sector institutions, providing institutional and individual capacity building to support the implementation of policy reforms. The majority of resources will focus on GOT and the Revolutionary Government of Zanzibar (RGoZ) agriculture line ministries and institutions, and will complete institutional capacity building action plans. SERA will continue to provide strategic support to private sector institutions, targeting critical stakeholders in the policy reform process. Partnerships with private sector organizations will be limited in an effort to minimize conflicting priorities with GOT counterparts. SERA Project will continue the individual capacity building efforts already underway and will initiate new ones based on demand. In some cases trainings will be part of a larger institutional capacity building effort.

1. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition

A. MUCHALI - Institutional Assessments and Capacity Building Action Plan

In Year 3, SERA Project conducted an assessment of Tanzania's Food Security Early Warning System. The objectives of this assessment were to determine information requirements, data sources, and to review systems that provide data and information for the Tanzania national food security system; specifically the Food Basket Methodology and the MUCHALI framework. The

activity identified strengths, limitations, opportunities, gaps, and weaknesses in the current Food Security Early Warning Information System utilized by the MAFC.

In Q1 of Year 4, the draft report was circulated to key stakeholders for comment and input. Written comments were received from MAFC in Q3.

The Food Security and Policy Options Paper addressed the finding of this report.

Recommendation: Formalize MUCHALI into an institutional entity and increase resources for its activities.

Action: Begin efforts to institutionalize MUCHALI and obtain dedicated financing.

While the GOT stated there are no objections to the presented recommendations, the formalization of MUCHALI has been included in follow-up discussions. It is anticipated that the conclusion and publication of this report will be the final activity supporting this policy recommendation.

Related Policy Action:

- Stage 2: Stakeholder consultation/public debate.
  Food Security - Comprehensive Food Security Study, Policy Options Paper: better targeting of social safety.

Tasks planned for Q3:

- Incorporate comments and finalize the draft report.

Tasks planned for Q4:

- Incorporate comments, finalize report, and distribute to stakeholders.

Milestones:

- Assessment Report delivered (*revised* Q3).
- Capacity Building Action Plan adopted by MUCHALI Secretariat (*revised TBD*).

Resources:

- SERA COP
- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst

Key Partners:

- MAFC National Food Security Department, Crops Monitoring and Early Warning (CMEW) Unit
- MUCHALI Secretariat
- PMO Disaster Management Department (DMD)

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1. Number of institutions receiving USG assistance.

B. Ministry of Agriculture, Food Security and Cooperatives, National Food Security Department

Activities in Year 4 include the continuation of the Food Basket Methodology training, FBM implementation, and support for a Data Harmonization workshop.

i. Food Basket Methodology

SERA Project and United States Department of Agriculture (USDA) Economic Research Service (ERS) have provided support to the MAFC National Food Security Department for the development of a regional food basket. In Year 4, SERA Project completed the training program. It was agreed that a pilot of the activity is the next step for this activity. In Q1, a Concept Note was jointly prepared with USDA ERS, SERA and NFSD. In April 2015, NFSD CMEW Unit submitted a proposal (Annex 5). While the proposed activities were consistent with the Concept Note, the background information and budget proposed raised several questions. The SERA Project submitted questions for consideration on April 14, 2015 (Annex 6), and seeks to focus the pilot activity to address specific questions and concerns.

- What are the questions and concerns of the CMEW regarding the FBM that the pilot seeks to address?
- What is the measurement of success for the pilot activity?
- How will this activity be evaluated?
- What is the process of evaluation and what are the possible next steps for implementation?

To facilitate this process, the SERA Project will support a half-day panel discussion, led by CMEW, to present the FBM to key government stakeholders. Invitees will include individuals involved in data collection and monitoring efforts from The Tanzania Food and Nutrition Centre (TFNC), Ministry of Industry and Trade (MIT), Ministry of Livestock and Fisheries Development (MLFD), and NBS. This activity in planned for Q4 to coincide with visit from USDA ERS.

Policy Action Status:

- Food Security, Stage 2: Stakeholder consultation/public debate.
- Food Basket Methodology, Stage 4: Approval.

Tasks planned for Q3:

- Initiate work plan for pilot implementation.

Completed:

✓ Review of proposal for pilot implementation activity.

Tasks planned for Q4:

- Hold MAFC CMEW stakeholder discussion.
- Finalize Pilot SOW.
- Initiate work plan for pilot implementation.

Milestones:

- FBM Pilot completed (Q4).

Resources:

- SERA COP

- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst

Key Partners:

- MAFC NFSD, USDA ERS.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1. Number of institutions receiving USG assistance.

ii. Training of Trainers

The first draft of the training materials for the FBM Training of Trainers was completed in Q1. These materials include, slide presentations, a participant workbook, and the lead trainer manual. Further work on this activity is contingent upon the implementation and success of the pilot activity.

Related Policy Action: NA.

Tasks planned for Q3:

- Complete draft of training materials. Pending completion of FB Pilot.
- Identify potential training dates. Pending completion of FB Pilot.

Tasks planned for Q4: None *(pending completion of Food Basket Pilot)*.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1. Number of institutions receiving USG assistance.

iii. Data Harmonization Workshop

The issue of quality data for policy decision-making was discussed throughout Year 3. A series of planning meetings and draft agendas did not result in agreed upon objectives and timing for this activity.

This activity was brought to the attention of the MAFC Permanent Secretary at the USAID Feed the Future 2nd Quarter meeting. PS Kaduma directed the Director of the Department of Policy and Planning to take on this activity. SERA project was advised by the Director of DPP to use the *Tanzania Agricultural Statistics Strategic Plan* as a framework for this activity. SERA Project is reviewing the Plan and seeks to align this activity with support for a Market Intelligence Unit. SERA Project anticipates that this activity will be combined with efforts to support a MIU in Q4.

Related Policy Action:

- Stage 2, Stakeholder consultation/public debate.
  Related to Food Import Policy - Transparent rules-based import policies: Efforts to establish a more stable and transparent trade regime that reduces tariff and non-tariff trade barriers.

Tasks planned for Q3:

- Plan workshop.

Completed:

✓ Follow-up with MAFC regarding interest in this activity.

Tasks planned for Q4 *(revised):*

- Review the Tanzania Agricultural Statistics Strategic Plan.
- Plan workshop.

Milestones:

- Data Harmonization agenda set (Q3).
- Data Harmonization workshop completed (Q3).

Resources:

- SERA COP
- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst.

Key Partners:

- MAFC NFSD, USDA ERS.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1. Number of institutions receiving USG assistance.

C. Policy Analysis Unit – Sokoine Univeristy, iAGRI Collaboration Ministry of Agriculture, Food Security and Cooperatives, Department of Policy and Planning

The FtF iAGRI Project will lead this activity and will be supported by the SERA Project with the development of a Policy Research Unit (PRU) in the Department of Agricultural Economics and Agribusiness (DAEA) at Sokoine University (SUA).

SERA Project received a revised proposal in June 2015. The revised proposal responded directly to SERA Project's concerns and presents a streamlined approach, however it lacked an implementation plan and proposed budget. A SOW, timeline, and budget are anticipated in Q4. SERA Project's resources and remaining life of project workplan limits the support available for this activity.

Related Policy Action: NA.

Tasks planned for Q3:

Completed:

✓ Receive and review revised proposal based on recommendations.

Task planned for Q4:

- Provide comments and finalize commitments.

Milestones:

- PRU staff hired (*revised* Y5).

Resources:

- Local STTA Economist

Key Partners:

- Diligent Consulting Ltd, iAGRI.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

D. Strategic Support – Rice Council of Tanzania

SERA Project began working with the Rice Council of Tanzania in Q1 supporting two separate activities: organizational strategic plan and a rapid assessment of the rice sector.

Strategic Plan Development

The Final Strategic Plan was presented to the RCT Board of Directors on 26 May 2015 and was well received. The RCT BOD will develop an internal work plan for implementation. The presentation to RCT Stakeholders will be held on their request.

Main Objectives:

1. To improve RCT's governance, organization and coordination capacity, Human Resource Management, working environment, and operations through capacity building by December 2016.
2. To advocate for conducive policy, regulatory, business, and investment environments to support the growth of the rice industry by 2019 and beyond.
3. To mobilize resources to enable the implementation of RCT objectives and ensure sustainability by 2018.
4. To play a coordinating role through advocacy and collaborative engagements, and dissemination of rice value chain information and data.
5. To facilitate and assist rice industry entities to increase rice output by 20% by 2019 through facilitating and assisting rice value chain entities to increase productivity, production levels, and profitability through improved access to affordable input factors, governance, skills, and compliance to quality standards and market requirements.
6. To forge new partnerships, alliances, and networks for soliciting joint project/activities implementation, sharing and exchange of resources, and collaborate on other approaches.

Related Policy Action: NA.

Tasks planned for Q3:

Completed:

- ✓ Present draft Strategic Plan to BOD.
- ✓ Finalize Strategic Plan.

Task planned for Q4:

- Present Strategic Plan to stakeholders *(pending RCT BOD request)*.

Milestones:

- Term of Reference (TOR) for Strategic Planning developed (Q2).

- Strategic Planning workshop held (Q2).
- Strategic Plan finalized (Q3).
- Strategic Plan presented to stakeholders (Q3).

Resources:

- SERA COP
- SERA Communications and Capacity Building Specialist
- STTA Strategic Planning Expert

Key Partners:

- USAID NAFAKA Value-Chain Project.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

Rapid Rice Sector Assessment

In Q1, SERA Project offered to assist the RCT to complete a rapid assessment of private sector rice stocks held in Tanzania. The rapid assessment would provide a snapshot of the location and quantities available from Mbeya, Morogoro, and Shinyanga regions

The final report and presentation of the Rapid Assessment of the Rice Sector was made on 8 May 2015 to the RCT Chairman of the Board, NAFAKA, SERA, and representatives from USAID. The report covers studies from the field visits to Morogoro, Iringa, Mbeya, Shinyanga, Mwana, Arusha, Kilimanjaro and the Dar markets.

Major findings:

1. **Imported rice** is affecting local rice market, specifically through distortion of price and poor quality of local rice. The causes include mixing of imported rice with local rice and repacking of imported rice.
2. **Electricity is a major constraint to millers** due to frequent power cut and high cost.
3. **Unreliable rains** are causing fluctuations in production and reduced water supply in irrigation infrastructures.
4. **Crop cess** has great variation in application. Among the districts surveyed, cess ranged between 5 -30 TZS/kg, in Mbeya 5 TZS/kg, Magugu 20 TZS/kg, TZS/kg, and Morogoro 30 TZS/kg.
5. **Poor road infrastructure** discourage traders and delay deliveries to markets.
6. There is an overwhelming lack of awareness and applications of **Quality and Grade Standards.** Some areas use buckets for measuring rice, others use of 100kgs PP bags. There is also a lack of good postharvest practices in both drying and storage.

The RCT held a stakeholders discussion on 22 June 2015 and released their position paper entitled *Tanzania's Rice Industry is Under Threat.* Findings from the Rapid Assessment of the Rice Sector were also presented at this meeting. The event was attended by 75 participants and 35 media houses. Media reports were made in:

- Five Kiswahili print reports press,
- Six English print reports,
- Three radio reports,
- Five television reports.

Related Policy Action: NA.
Tasks planned for Q3:

Completed:

- ✓ Complete field research.
- ✓ Draft report presented to RCT and USAID.
- ✓ Final report delivered.

Tasks planned for Q4: None.
Milestones:

- TOR developed (Q2).
- Study completed *(Q3 revised).*

Resources:

- SERA COP
- SERA Communications and Capacity Building Specialist
- STTA Regional Rice Market Expert

Key Partners:

- USAID NAFAKA Value-Chain Project.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

E. Policy Seminar Series at Sokoine University

The SERA Project and iAGRI have jointly sponsored a Policy Seminar Series for faculty and students at Sokoine University to encourage agricultural policy research. The second Policy Seminar Series will begin in Year 4. Changes in the terms of reference have been made based on the experiences and lessons learned from the Series I. A more structured and targeted approach will be taken in Series II, with a topical research focus on Land. Research will begin in Q4. It is anticipated that SERA Project will provide support to stakeholders' events and field research.

Related Policy Action: NA.
Tasks planned for Q3: None.
Tasks planned for Q4:

- Initiate field research.
- Support first stakeholders' workshop.

Milestones:

- Research teams and topics selected (Q2).
- First draft reviewed (Q4).

Resources:

- SERA COP
- SERA Senior Advisor
- SERA Senior Agriculture Policy Advisor

Key Partners:

- Diligent Consulting Ltd, iAGRI.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

COMPONENT III: ADVOCACY AND COMMUNICATIONS

The SERA Project will focus on communication activities that support the policy research agenda and will target public sector institution. The primary communication instruments will be the SERA Project website, policy briefs, and public events such as conferences and workshops.

1. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition

A. SERA Website

The website is the main communications tool for SERA, making available evidence-based research and other key policy information. In addition, SERA will explore ways to engage more directly with target audience of the website.

Related Policy Action: NA.

Tasks planned for Q3:

Completed:

- ✓ Upload completed Policy Brief of Food Security Policy Options.

Tasks planned for Q4:

- Update website with new information and project materials.

Milestones: NA.

Resources:

- SERA Communications and Capacity Building Specialist

Key Partners:

- OMIS

Contribute to:

- CI 4.1.3 Number of hits/visits to the SERA website.

B. Policy and Research Briefs

The SERA Project will publish Policy Briefs in Year 4 in support of policy analysis and research. Policy Briefs will summarize specific policy research and recommendations on key issues affecting the agriculture sector environment and are meant to inform decision makers and stakeholders.

Tasks planned for Q3:

- Prepare Policy Brief of Food Security Policy Options.
- Publish a Policy Brief on Food Basket Methodology.

Completed:

✓ Prepare and publish a Policy Brief on the Collateral Registry

Tasks planned for Q4:

- Prepare Policy Brief of Food Security Policy Options.
- Publish a Policy Brief on Food Basket Methodology.

Milestones:

- Policy Briefs published and circulated:
  - Food Security Policy Options (*revised* Q3),
  - Drivers of Maize and Rice Markets (Q2),
  - Land Compensation and Benefits Sharing (Q3),
  - Secure Transactions Systems: Collateral Registry (Q3).

Resources:

- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst
- SERA Senior Advisor

Key Partners:

- Michigan State University.
- Bill & Melinda Gates Foundation.

Contribute to:

- CI 4.1.2 Total number of SERA mentions in the press and social media.

C. Success Stories

In Year 4, SERA Project will prepare two USAID Success Stories: the Lifting of the Export Ban and the Food Basket Methodology. The success stories will follow USAID branding and marking requirements.

Related Policy Action: NA.

Tasks planned for Q3:

Completed:

✓ Draft Export Ban Success Story.

Tasked planned for Q4:

- Finalize Export Ban Success Story.

Milestones:

- Lifting of the Export Ban Success Story delivered (*revised* Q3).
- Food Basket Methodology Success Story delivered (Q4).

Resources:

- SERA COP
- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst
- SERA Senior Advisor

Key Partners:

- USDA ERS.

Contribute to:

- CI 4.1.2 Total number of SERA mentions in the press and social media.

D. Policy Conferences and Workshops

No activities in Q3.

ACTIVITIES IMPLEMENTED IN ZANZIBAR

1. Intermediate Result 2: Expanding Markets and Trade

A. Irrigated and Rain-fed Rice Profitability Analysis (Concluded)

The SERA Project worked with the NAFAKA Project and the Tanzania Agriculture Productivity Program (TAPP) to evaluate the profitability of irrigated and rain-fed rice on Zanzibar. This analysis was used to guide policy and investment decisions of RGoZ, USAID, and other donors for the rice sector of Zanzibar. The activity is complete and no further action is planned.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: Stage 1, Analysis; Stage 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- CI 4.1.1 Number of research outputs.

2. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition

A. Zanzibar Department of Food Security and Nutrition

In Q3 SERA Project and USDA ERS began the final phase of Food Basket Methodology training for Department of Food Security and Nutrition (DFSN) (29 June – 2 July 2015). The training was a continuation of previous efforts and will be completed in the beginning to Q4. The trainees were required to have participated in previous training efforts and were five in total.

Related Policy Action: NA.

Tasks planned for Q3:

- Complete FBM analysis and training.

Completed:

✓ Complete the collection of data for the development of the FBM – Zanzibar.

Tasks planned for Q4:

- Complete FBM analysis and training.
- Continuous support quarterly reporting.
- Draft DFSN quarterly newsletter.
- Explore Nutritious Food Basket requirements.

Milestones:

- Implementation for Performance Management Plan (PMP) evaluated (*revised* TBD).
- Capacity building plan for PMP created (*revised* TBD).
- Draft DFSN brochure finalized (Q3).
- DFSN newsletter template finalized (Q3).
- FBM Analysis for Zanzibar completed (revised Q3).
- FBM Training to DFSN staff delivered (Q2/3).
- FBM Operational Manual delivered to DFSN (Q3).

Resources:

- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst
- USDA ERS Nancy Cochrane

Key Partners:

- USDA ERS.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

PROJECT MANAGEMENT AND PERFORMANCE

1. Management

No management updates for this quarter.

PROBLEMS / CHALLENGES

In Q3, the sitting government held final Parliament Session that included the development, presentation, and adoption of the new government budget. It is anticipated that challenges will remain throughout Year 4 as the GOT prepares for presidential elections in October 2015.

CROSS-CUTTING ISSUES

1. Gender

Gender is an important cross cutting issue and the SERA Project is planning research to better understand women maize farmer's input use, yields, and price received compare to men maize farmers. This activity will be undertaken in collaboration with the World Bank and International Finance Corporation (IFC) in Q4.

2. Poverty

Poverty is an important cross cutting issue and SERA policy reform activities are expected to be pro-poor because they deal with food crops produced by most rural households.

3. Climate Change

Climate change is an important cross-cutting issue and the research conducted by SERA Project on the Determinants of Maize Prices in Tanzania provided some useful insights into policies that can mitigate climate change impacts. The findings of the study were that export bans intensify the impacts of weather shocks and seasonal price fluctuations, and open trade policies can mitigate the impacts of such factors. That implies that policies that restrict trade in food crops will result in greater price variability and delayed transmission of prices to market forces.

FINANCIAL SUMMARY

QUARTERLY REPORT	SERA YEAR 4 - QTR 3				
	Apr-15	May-15	Jun-15	Quarter Total	Contract Cumulative
Labor	$38,139	$64,089	$117,392	$219,620	$2,457,680
Travel	$7,145	$377	$10,082	$17,604	$243,827
Other Direct Costs	$69,257	$30,740	$50,669	$150,667	$1,775,427
Indirect Costs	$31,510	$25,662	$31,738	$88,910	$1,669,312
TOTAL	$146,051	$120,868	$209,881	**$476,800**	**$6,146,247**
Contract Cumulative	**$5,815,498**	**$5,936,366**	**$6,146,247**		

Table 1. USAID Standard Indicator and Required if Applicable Indicator Targets for Life of Contract

Indicator		Baseline	Y4 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Y4 Total	LIFE OF CONTRACT TARGET
IR 4.5.2-7. Number of individuals who have participated in USG support training activities (RiA)	New	0	98	15	21	NA	0	36	1,700
	Continue	0	100	9	0	NA	0	9	
	Male	0	132	12	17	66	0	95	
	Female	0	66	12	4	14	0	30	
IR 4.5.2-36 Value of exports of targeted agricultural commodities as a result of USG assistance (RiA)	Maize	$20,820,000	$34,990,000	NA	NA	NA	NA	0	$56,749,200
	Rice	$37,050,000		NA	NA	NA	NA	0	NA
IR 4.5.2-30 Number of MSMEs businesses, including farmers, receiving USG assistance to access loans (S)	Medium	0	800	0	0	0	0	0	2,400
	Small	0	125	0	0	0	0	0	350
	Micro	0	75	0	0	0	0	0	250
IR 4.5.1-24 Number of policies / regulations / administrative procedures in each of the following stages of development (S)	NA								
• Stage 1: Analyzed		0	0	0	0	0	0	0	2
• Stage 2: Drafted and presented for public / stakeholder consultation		0	0	0	6*	0	0	0	6
• Stage 3: Presented for legislation / decree		0	1	0	0	0	0	0	0
• Stage 4: Passed / approved		0	0	0	0	1	0	0	1
• Stage 5: Passed for which implementation has begun		0	3	0	0	0	0	0	11

* Represents specific policies presented in the Food Security Policy Options Workshop 27 February 2015.

Table 2. Project/Custom Level Indicator Targets for Life of Contract

Indicator	Baseline	Y4 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Y4 Total	LIFE OF CONTRACT TARGET
1.1.1 Volume of improved seed available in domestic market	26,545 tons	5,000 tons	NA	NA	NA	NA	NA	36,000 tons
4.1.1. Number of research output	0	0	1	0	1	0	2	7
4.1.2 Total number of SERA mentions in the press and social media	0	5	0	0	0	0	0	40
4.1.3 Number of hits/visits to the SERA website	0	2,000	68*	210	1,869	0	2,147	9,000
4.2.1 Number of institutions receiving USG assistance	0	4	2	18	4	0	24	15

**Google Analytics is used to track this indicator. Tracking began on 2 December 2014.*

Annex 1. Schedule - Tanzania Seed Industry Stakeholders' Meeting, 11-12 June 2015

MEETING SCHEDULE
Plant Breeders' Rights and Licensing of Public Varieties
Mount Meru Hotel, ARUSHA

11 June 2015, Day 1		
8:30 - 9:30	Registration	
Session I: Opening Remarks		
9:30 - 10:00	Director of Crop Development MAFC	
	TASTA CEO	
	AGRA Representative	
	USAID Representative	
10:00 - 10:10	PS MAFC introduce Minister for Official Opening TDB	
10:10 - 10:30	Official Opening by the Minister	
10:30 - 11:30	**HEALTH BREAK** (Group Photo will be taken)	ALL
Session II: Opening Remarks		
11:30 - 12:00	Review of minutes of the previous meeting	MAFSC
12:00 - 12:30	Matters arising from the previous meeting	MAFSC
12:30 - 1:00	Presentation of Development on Breeders' Rights	RPBR – Patrick S.N. Ngwediagi
1:00 - 2:00	**LUNCH**	
2:00 - 2:45	Discussion	
2:45 - 3:15	Plant Breeders' Rights Licensing Circular Implementation Status	RPBR – Patrick S.N. Ngwediagi
3:15 - 4:00	Discussion	
4:00 - 4:30	**HEALTH BREAK**	
4:30 - 5:00	Administrative announcements and closing	SERA/AGRA
12 June 2015, Day 2		
8:30 - 9:00	Opening Session	
Session II: Continued		
9:00 - 9:30	SAGCOT *TBD*	
9.30 - 10:30	Policy and regulatory reforms for improved seed sector in Tanzania	AGRA
10:30 - 11:00	**HEALTH BREAK**	
11:00 - 11:30	Discussion	
11:30 - 12:00	Status and Progress of ISTA and OECD	TOSCI
12:00 - 12:45	Discussion	
12:45 - 1:45	**LUNCH**	
1:45 - 2:15	Regional Harmonization – Progress and Status	RPBR – Patrick S.N. Ngwediagi
2:15 - 3:00	Discussion	
Session III: Discussions and Resolutions		
3:00 - 4:00	Discussion and Resolution	
4:00-4:30	**Closing Remarks**	TASTA

Annex 2. Meeting Notes - Tanzania Seed Industry Stakeholders' Meeting, 11-12 June 2015

MEETING NOTES
Plant Breeders' Rights and Licensing of Public Varieties
Mount Meru Hotel, ARUSHA
by Alex Mkindi, Senior Policy Advisor, SERA Project

The objective of the meeting is to support private seed stakeholders under TASTA to engage in dialogue with the government regarding plant breeders' rights and licensing of protected public varieties. The meeting concludes a series of two dialogues in 2012 and 2014, that aimed at resolving a number of issues in the seed industry among others taxation of packing materials. The meeting was organized in partnership with Ministry Of Agriculture Food Security and Cooperatives, Alliance for a Green Revolution in Africa (AGRA) and Tanzania Seed Trade Association. The meeting was attended by 71 stakeholders.

OPENING

The meeting was opened by an official representing the Permanent Secretary (PS), Ministry of Agriculture, Food Security and Cooperatives. The PS was attending the parliament session at Dodoma and was unavailable. The key message from the PS centered on the importance of quality seed for the revolution of agriculture and that Tanzania was lagging far behind its neighbors on the usage of improved seeds. She commended USAID SERA Project and AGRA for the support and for facilitating the private-public dialogue.

MATTERS ARISING

In the previous meeting held on 2012, AGRA had informed the members that the government is denying private sector the public variety that is produced in public institutions and thus retarding growth of the seed sector. It was pointed that the claim is published on the AGRA Progress Report 2007 – 2014, on the internet. The report also informs that "ASA is the only recognized producer of basic and certified seed in Tanzania". The government pointed that such false claims are tainting the government and is misleading investors. AGRA was asked to apologize, to which the AGRA representative obliged. AGRA was also requested to pull out the report from their website.

PRESENTATIONS

Agenda 1. Presentation of Development on Breeders' Rights: Stakeholders were informed on the new legislature that recognizes public breeder's rights and that they will be given compensation by the government. The system is being put in place. So far no one has been compensated.

Agenda 2. Plant Breeders' Rights Licensing Circular Implementation Status: The government produced a Circular in 2011 that outlines the conditions for licensing of protected public varieties produced in publicly supported Agricultural Research Institutions. The procedures for the private sector to gain access to these seeds were produced and gazette in February 2015. The first tender was advertised in 2012 with only two bidders responding, and the second tender was advertised in 2014 with only four bidders, indicating the ineffectiveness of the conditions. These procedures

now need to be discussed and issues resolved with the MAFC and industry stakeholders. Another contentious regulation is the issue of labelling seed packages which cost 300 TZS per pack. For a small seed company producing MT 500,000 and packing in 2kg, the total cost is approximately 70 million TZS, which the private sector feels is too high and, if passed on to farmers, will negatively affect business. It was agreed to revive the committee to look at this and advise the government.

Agenda 3. ISTA and OECD – Progress and Status: Tanzania Official Seed Certification Institute (TOSCI) applied for International Seed Testing Association (ISTA) accreditation on 8 September 2014 and ISTA replied on 9 September 2014. TOSCI participated in only one proficiency test (PT), PT14-1 on germination test for *Pisium sativum*

ISTA informed TOSCI of the need to participate in additional PT rounds on purity and other seed determination test and TOSCI applied for samples to undertake more PTs. Sample was dispatched October 2014 and results was expected not later than 1 January 2015.

TOSCI applied for special ISTA Proficiency Test this year and ISTA will check whether it will be possible to organize a testing event. Regarding the audits, this year is fully booked and new audits may be planned for next year only. If something changes in this regard, they will inform TOSCI accordingly. TOSCI has come up with strategies for fast tracking.

With regard to OECD, the former Minister for Agriculture Food Security and Cooperatives wrote an official application letter on 15 October 2014 and OECD answered that letter in January 2015. The Ministry is now working on all the requirements as stipulated in that letter.

With regard to International Union for the Protection of New Varieties of Plants (UPOV), the government has UPOV 1991 legislation following parliamentary approval of the 2012 law on the Mainland and the 2014 law in Zanzibar. Tanzania is now waiting to submit instruments of accession.

Agenda 4. Regional Harmonization – Progress and Status: The government is working with partners in Southern African Development Community (SADC) and East African Community (EAC). With the SADC, there is an MOU but the one with the EAC is still in progress. There is another initiative for the whole of Africa.

Agenda 5. Discussions and resolutions:

1. Maize Lethal Necrosis (MLN): This is a maize disease that was reported in the meeting and is a threat to farmers in the northern zone. If it is not managed correctly, it can spread to the southern zone which is the SAGCOT area and the grain basket of Tanzania. Maize Lethal Necrosis Disease (MLND) is reported to have caused losses worth millions of dollars to farmers and seed companies mostly in eastern Africa, including Tanzania. It is also affecting food consumers, since farmers have no maize crop to release to the market. The rapid spread of the disease in the region since 2012 has been a major concern for scientists, regulators, and maize seed companies. MLND-free seeds is seen as a possible

solution to the crisis. It was agreed for the Ministry to form a Task Force to address the issue.

2. Regulation for labelling seed packages: Seed companies queried the use of a 300 TZS label in seed packages and argued that the decision was not consultative. It was agreed that a committee that was formed in 2013, to deal with tax issues, should be revived to work consultatively with the government to resolve the issue and report to stakeholders.

3. The government and TASTA both appreciated the resources made available by USAID and AGRA towards facilitation of the stakeholder's workshop.

Annex 3: Policy Brief - Collateral Registry

May 2015 Policy Research Brief No. 2

SERA Policy Research Brief

A Secured Transactions/Collateral Registry System Can Unlock Credit to Smallholders and SMEs *

Access to finance improves when financial institutions have the ability to secure loans with collateral so that their risk is limited in case of default. The two most common forms of collateral are land and moveable property. Land is often difficult to use as collateral in Tanzania because of the lack of title and the difficulty of changing land ownership. Moveable property is also difficult to use as collateral because existing laws do not provide the legal protection necessary to encourage lending for various types of moveable property. The solution is a simpler legal and regulatory structure for collateralized lending. Such a system is called a Secured Transactions System based on a Collateral Registry. In Tanzania, it would be achieved by enacting a new Personal Property Security Act (PPSA) and Regulations for a new Collateral Registry.

Reforming Tanzania's Secured Transactions laws would help alleviate poverty by improving access to credit in the agricultural sector and for small- and medium-scale enterprises (SMEs), precisely the economic players who have typically not had access to credit. Movable assets include growing and harvested crops, agricultural goods in warehouses or other storage, livestock, inventory, equipment, accounts receivable, bank deposits, securities, intellectual property rights, rents, contractual rights, and other moveable assets limited only by the creativity of the commercial sector in finding ways to create sources of economic value. Thus, if a country's legal system can provide a means of utilizing movable assets to guaranty credit, it frees the financial and credit sectors to reach their full potential. As the risk of non-payment goes down, so should the interest rate charged for credit and credit should become available to many borrowers who currently do not have credit. This supports growth and development at all levels of society, but particularly at the levels and in the sectors currently denied access to credit. A proper Secured Transactions system is a powerful tool against poverty.

* Based on research by the SERA Policy Project of the USAID Feed the Future Initiative and Dale Furnish, emeritus professor of law at Arizona State University. Additional details can be obtained by contacting Marialyce Mutchler, Chief of Party of the SERA Policy Project at Marialyce.Mutchler@tzsera.com or Dale Furnish at Dale.Furnish@asu.edu.
The SERA Policy Project is a USAID funded project that seeks to improve agricultural policies and develop capacity for policy

A properly functioning Secured Transactions System depends on a single electronic registry in which all security interests created under the law must be registered to fix a given lender's date of priority against specified collateral and enable enforceability in case of default. Some personal property used as collateral—cash, bank deposits and accounts, negotiable warehouse receipts—could fall outside the registry but not outside the system. Any new PPSA would contemplate such items of collateral and provide for them in the same system with the same sort of clear priority. Usually this is done by requiring possession or control of the special types of moveable collateral for which negotiability forms part of their nature. A single electronic registry, however, forms the heart of the system, which cannot function without a universal registry. Such registries exist in neighboring African countries and other developing countries in Latin America. The software is available, and a modern registry can be set up relatively quickly and for relatively little cost. The Collateral Registry could function through the internet or cellular phones. Cell phones are everywhere in Tanzania, and would permit lenders to register their security interests and review existing security interests for any potential debtor by simple cell-phone access. This would create a functioning nationwide registry system, available 24 hours a day, 7 days a week from anywhere in Tanzania. The SERA Project is supporting the Bank of Tanzania to develop and implement a Secured Transaction System and Collateral Registry and the World Bank will provide financial support to the activity.

A Legal System Grown Awry

While real property takes one form in the eyes of the law (land and improvements permanently attached to it), personal property takes multiple forms; e.g., automobiles, farm equipment, machinery in factories, inventory, bank accounts, accounts receivable or invoices, intellectual property such as patents and trademarks, growing crops, warehoused grains and other foodstuffs, warehoused hard goods, livestock, cargo in transit, mine ore and cut timber. Over time, these various forms of personal property were dealt with by setting up different laws, to deal with each one separately. Thus, while real estate security typically takes the form of a mortgage, for personal property security the law has provided a crazy quilt of statutes including among others the Bill of Sale Act, the Chattels Transfer Act, the Contracts Act, the Hire Purchase Act, the Companies Act, the Incorporated Private Partnership Act and the Finance Lease Act, establishing less a system than a collection of disparate mechanisms all of which take different routes to the same goal—giving a creditor the right to claim debtor's assets on default. Different registries exist for different acts and some charges need not be registered at all.

The lack of a system means lack of priority when two or more creditors compete for the same collateral. The uncertainty in priority, or even the validity of the security interest, increases the creditor's risk. Before a creditor can make a loan to a prospective borrower offering personal property as collateral, the creditor must check several registries or other sources to confirm whether it can take a first priority in the personal property the borrower offers, and even then often the creditor cannot be certain. In such circumstances, the price of credit comes high, reflecting the risk to the lender. Often, lenders simply offer no credit at all to whole classes of prospective borrowers, because they can offer no certain collateral and risk makes unsecured loans a bad deal.

This describes the situation in Tanzania today, with millions of smallholders and other prospective borrowers effectively excluded from the credit market for lack of viable collateral with which to secure their loans. Typically, interest rates on secured loans run 18% or higher, so even where Tanzanian borrowers can get secured credit, they may have to pay ten or twenty percent more in interest and costs than borrowers in countries with new laws for personal property security. The new laws have come about because the legal mess in personal property security attracted attention, and encouraged reforms that have remedied the problem by unifying all forms of personal property security in a single all-inclusive system, with a single all-inclusive registry.

Country after Country Has Adopted a New Kind of Law

The reform of personal property security laws began in the United States (1952), followed by Canada (1967). New Zealand (2006) and Australia (2010) have passed new laws more recently. Steadily, country after country has created new personal property security laws, also known as Secured Transactions Laws or Personal Property Security Acts. In Africa, Liberia (2010), Ghana (2011) and Malawi (2013) have new laws, while Mozambique is actively considering following suit. In Latin America, Peru (2004), Guatemala (2008), Mexico (2010), Honduras (2011), and Colombia (2013) have new laws while Chile, Argentina, Costa Rica and El Salvador have similar new laws under active consideration. In Eastern Europe, Albania, Kosovo, and Georgia have new laws, while several countries are considering reform. In Asia, China has passed new legislation.

Many of the new laws are patterned after model laws developed by the United Nations' Commission on International Trade Law (UNICTRAL, Legislative Guide 2007), the World Bank's International Finance Corporation (IFC Toolkit 2010), the European Bank for Reconstruction and Development (EBRD), or the Organization of American States (OAS, Model Law 2002) which are focused on efforts to reform commercial laws on credit guaranties against moveable property. In the last quarter century, lawyers, scholars and policy makers have recognized the enormous effect that these laws have on access to credit for the smallholders that form the bulk of the world's population. Policy makers and planners have begun reforming outdated systems that in many ways date back to Roman times with the goal of using the law to achieve maximum social and economic benefits.

What drives the reform is that much of the world's wealth is becoming concentrated in moveable property (growing and stored crops, livestock, automobiles, equipment, accounts receivable, inventory, bank accounts, intellectual property). While real estate maintains its place as a high source of value and continues to serve as an important credit guaranty, moveable property has long surpassed it in aggregate value. Until recently, laws have not fully recognized that fact, making credit guaranties against moveable property costly or virtually useless, increasing the risk to lenders and the price to borrowers. Reducing the lenders' risk by changing the law can make more credit available to many more borrowers at much lower interest rates, creating more jobs and increased production in all sectors of the economy, and thereby helping to reduce poverty.

A Central Concept...

The new laws have a common core. All of the laws focus on unifying systems of diverse laws developed over centuries into a single system operating on a unitary concept—the "security interest"—that encompasses all forms of guaranty against personal property as collateral for credit. The crazy quilt of chattel mortgages, finance leases, hire purchase, floating debentures, retention of title and more all now become a single mechanism in the eyes of the law: a security interest. An essential part of the reform turns on creating a single registry, charging a nominal fee for each registration, in which all such guaranties must register or have no effect against third parties who might claim the same collateral.

...that Requires Changes in Established Legal Practices
~ Registration to fix priority by notification rather than validation

The new laws' application of the central concept of a unitary security interest means that deeply ingrained practices must change. First and foremost, the new system turns on the proposition that personal property security

agreements themselves—unlike real property security agreements—do not have to be registered to be valid and to fix a date of priority against third party claimants to the same collateral. Rather, the system sets a given creditor's priority from the date it registers a summary notice that the creditor might have a security interest in certain of a given debtor's collateral. This simple notion often provokes violent reactions within the legal community. It conflicts directly with the law's long-standing article of faith that the document itself, as signed by the parties, must be registered to validate the claim.

The change to notice registration of security interests means that a single filing may continue a fixed priority for five years (the usual term) renewable, and support a series of secured loans, or a continuing line of credit, against the same collateral. Only when a creditor wishes to enforce the security interest upon debtor's default does it have to come forward with documents to prove its security interest, while standing on the registration to fix the date of its priority. Commonly, the security agreement that the creditor wishes to enforce will not have existed at the time of the registration and date of priority.

Registries for the documents that create security agreements—however they may be styled—may still exist for the purpose of validating those documents on the public record, but they do not set the date of priority for those security agreements against third parties. According to the law, only the unique registry for security interests can do that.

~ Enforcement of security interests by extra-judicial action of the creditor

The other aspect of the new personal property security laws that often causes strong reactions within the legal community is the idea that in the event of a debtor's default creditors may take direct action against their collateral and claim it from the debtor without going through a court and getting a judicial order. At first, lawyers usually view this "self-help" approach to collections as a violation of due process, perhaps the most fundamental of constitutional rights. In fact, the possibility that the creditor might proceed directly against the debtor upon default reduces the costs and delays of enforcing the security interest. Overall, self-help enforcement can further lower the price of credit. The new laws require that the creditor must act with debtor's cooperation, so that if a debtor wishes to resist—that is, assert its right to due process—and force the creditor to go to court, debtor can. Most often, however, experience has proved in those countries that permit extra-judicial enforcement that creditors exercise the right responsibly, and debtors often admit their default and cooperate in turning over collateral.

Tapping the Power of Moveable Property to Guaranty Credit

Smallholder farmers and small businesses have always found it difficult to obtain credit at reasonable rates. That could change if a new Personal Property Security Act and Collateral Registry were implemented in Tanzania. The new act would unify existing systems of charges under diverse laws into a single system and make it easier to use moveable property for collateral. The registry would fix the priority of lenders to collateral used to secure loans. Farmers could use assets such as crops growing in their fields or stored in a warehouse for collateral. Small businesses could put up their existing assets as collateral to grow by adding new assets. Lenders would have lower risk and farmers and small businesses could get loans at lower interest rates. Urban populations would also benefit, since they include a majority of smallholders engaged in business and commerce. Access to credit at reasonable interest rates could support more economic activity, increase employment and reduce poverty. Other countries have this law; Tanzania needs it, too.

Annex 4: Concept Note - Proposed Food Demand Study

CONCEPT NOTE

Proposed Food Demand in Tanzania Using the 2011/12 Household Budget Survey

by Edith Lazaro, Research Associate, SERA Project

30 June 2015

Recent years have seen substantial advances in the estimation of consumer demand. This advancement is attributed to the evolution in empirical frameworks that has enabled the estimation of consumer demand using cross sectional data. Traditionally consumer demand studies solely relied on time series data, mainly because cross sectional datasets were not popular and it was generally believed that price variations do not exist in cross sectional data making them undesirable to be used in demand estimation (Chung et.al 2001). Cox and Wohlgenant (1986) and Deaton (1988) were some of the early studies that have looked into the existence of spatial variation in price from cross sectional data and have managed to obtain demand estimates that are theoretically consistent and comparable to those from time series data. This advancement has been particularly beneficial to developing countries, where there is limited availability of time series data, and the data that is available is not always of reliable quality. Consumer surveys depend only on the survey of the particular year and thus the lack of reliable time series data is not a constraint and the quality of the survey data depends only on the survey for the chosen year. Consumer surveys are now often done to international standards with assistance from donors or international organizations such as the World Bank. This is the case with the most recent Household Budget Survey (HBS) of 2011/2012 done for Tanzania.

Although there are still relatively few consumer demand studies undertaken in developing countries particularly in Sub Saharan Africa (Nzuma & Sarker 2008), efforts are being made to conduct studies that will offer an understanding of food consumption patterns in the region. Studies that have estimated elasticities for broad food groups include Agbola 2003, Weliwita et. al. 2003; Seale et al 2003; Tafere et al 2010, Barslund 2011. Elasticity estimates from these studies show the different food consumption patterns in these countries. The expenditure elasticity for maize, for example, ranges from 0.77 for a study conducted in Mozambique to 1.25 for a South African study. Since maize results are more likely to be indicative of the cereals food group, estimates above imply that for Mozambique the cereal food group is a necessity. This is typical for most developing countries cereals are the main energy sources in their diets contributing to about 46% of the total calories in the diet. On the other hand for a developed country like South Africa the expenditure elasticity on cereals suggests that it is luxury good mainly because cereal consumed in developed countries are usually high value processed products.

The above results shows how elasticity estimate can be used to understand consumption patterns in the respective countries, this kind of information is essential in informed policy debates and policy formulation processes. This proposed study seeks to improve on the knowledge of food consumption patterns in Tanzania. To the best of our knowledge there is only one published study on food demand patterns in Tanzania (Weliwita et al 2003), and that study

estimated price and income elasticities for groups of staple food products. The authors used the 1991/92 household budget survey data collected by the National Bureau of Statistics. Estimates from that study are useful in showing past consumption patterns in the country, however, consumers tend to adjust their consumption patterns over time in response to income growth and changes in tastes and preferences making estimates from the study no longer useful to inform policy in the country. This proposed study offers present-day estimates of food consumption patterns in Tanzania, using the most current household budget survey to estimate price and income elasticities of different food groups in Tanzania.

Objective of the study

- To estimate price, income and expenditure elasticities for different food groups in Tanzania using current household survey data and a theoretically consistent micro-econometric demand model.
- To compare food demand patterns between rural and urban households.
- To determine socio –economic characteristics that affect consumer food demand in the country.

Methodology

The study adopts Deaton and Muellbauer's (1980b) Almost Ideal Demand System (AIDS) to estimate consumer demand. The AIDS model is one of the most commonly used specifications in applied demand analysis. Its popularity is mainly due to the fact that it satisfies a number of desirable properties and allows linear approximation at the estimation stage. Estimation in the study are carried out using a linear version of the AIDS model , the Linear Approximate Almost Ideal Demand System (LA/AIDS) is a simplification of the AIDS that eases the computation burden. The specification of the model is as follows:

$$w_i = \alpha_i + \beta_i\left(\log\frac{x}{p^*}\right) + \sum_{j=1}^{n}\gamma_{ij}\log p_j + u_i \quad ...(1)$$

$i = 1,2...n$, *where*

$$\log p^* = \sum_j \overline{w}_j \log\left(p_j\right) \quad ...(2)$$

Where:

wi = the budget share of good *I,*

x = the household's per capita food consumption expenditure,

p_j = price of commodity *j,*

αi, βi, and *γij* = parameters to be estimated,

ui = random disturbance.

Equation (2) is the Laspeyres price index, where $\overline{w}_i$ is the mean observed budget share of good *i* for all households. This weighted index is an improved substitute to the commonly-used Stone price index, which has proven vulnerable to units of measurement error. The Laspeyres price index is invariant to the units of measurement; thus, has been proposed as a better alternative

to the Stone index (Moschini 1995). Theoretical restrictions of adding (3), homogeneity (4), and symmetry (5).

$$\sum_{i=1}^{n} \alpha_i = 1, \quad \sum_{i=1}^{n} \beta_i = 0, \quad \sum_{i=1}^{n} \gamma_{ij} = 0 \quad \ldots (3)$$

$$\sum_{j=1}^{n} \gamma_{ij} = 0 \quad \ldots(4)$$

$$\gamma_{ij} = \gamma_{ji} \quad \ldots (5)$$

Data and Estimation

The study proposes to use the Household Budget Survey 2011/12 data in the analysis. HBS is a nationally representative survey, designed to provide estimates at the national level, Dar es Salaam, other urban areas and rural areas. The survey collects household data on economic activities, household income and expenditure, housing characteristics as well as asset ownership, a total of 10,186 households were interviewed in the survey.

The use of household budget survey data in demand studies is beneficial in the sense that the data tends to avoid the problem of aggregation over consumers and is usually characterized by large and statistically rich samples that are likely to produce good estimates (Heien & Wesseils 1990). However this is not to say that household demand estimations from household budget surveys are smooth. Data from household surveys usually suffer from issues like censoring, missing price and endogeneity of prices and expenditures.

Zero Expenditure

Zero expenditures, also referred to as censoring, is the result of a large number of households reporting non-consumption of some of food items used in the survey. A number of studies have pointed out the impact this has on demand estimates and have proposed techniques to correctly estimate demand systems with a significant number of zero consumptions (Yen and Lin 2006; Shonkwiler and Yen 1999). The initial attempt around this problem is usually through aggregation over commodities across all households (Tafere et al 2010), however, this is usually not enough, and it is necessary to resort to the use of econometric techniques that enable estimating demand systems where censoring is inevitable. For this study censoring will be taken into account using the two step approach of Shonkwiler and Yen (1999) as follows; Let the demand equation (1) be denoted by f(xij,βi) with random disturbance ϵi.

$$w_i = \begin{cases} f(x_{ij}, \beta_i) + \in_{ij} \text{ if } d_{ij} = 1,\ i = 1,2,\ \ldots n \\ 0 \quad \text{ if } d_{ij} = 0,\ j = 1,2,\ \ldots.n \end{cases} \quad \ldots(6)$$

$$d_{ij} = I\left(z'_{ij}\alpha_i + v_{ij}\right) > 0 \quad \ldots.(7)$$

$$\in_{ij} v_{ij} \approx N\left(0,0,\sigma^2_{\in_i}, \sigma^2_{v_i}\right)$$

Where:
f = functional form of LA-AIDS.
d_{ij} = dichotomous variable indicating consumption.
I(.) = binary indicator function.
$\acute{z}$ = vector of demographic variables.
α_i= parameter vector.

Shonkwiler and Yen's (1999) two step procedure assumes that for each i the error terms (ϵ_i, v_i) are distributed as bivariate normal with a covariance parameter Θ_i , leading to the following censored demand system:

$$E(w_i) = \Phi\left(z'_{ij}\alpha_i\right)\left(f\left(x_{ij}\beta_i\right) + \theta_i \frac{\phi\left(z_{ij}\alpha_i\right)}{\Phi\left(z_{ij}\alpha_i\right)} + \eta_{ij}\right) \quad \ldots (8)$$

$$i = 1,2,\ldots n \qquad j = 1,2\ldots j$$

In equation (8) above, ϕ(.) and Φ(.) are standard normal cumulative distribution and probability density functions, and $E(w_i)$ are the unconditional means of the expenditure shares. The procedure involves two steps. In the first step, a probit regression model is estimated for all food items, parameter estimates of the probit regressions are then used to compute the inverse Mills ratios for each of the censored food groups. In the second step, each censored demand equation is augmented with an Inverse-Mills ratio constructed from the probit estimates and then weighted by the normal cumulative distribution function to correct for zeros in the dependent variable.

The adding up restrictions (equations 3, 4 & 5) in the AL-AIDS model ensures that elasticity estimates are consistent with consumer theory. However when estimating censored demand systems these restrictions do not hold (Sam and Zheng 2010). Following Yen and Lin (2006) adding up restriction is accommodated by imposing the following restrictions; Engel ($\sum_{i=1}^{n} w_i e_i$=1), Cournot ($\sum_{i=1}^{n} w_i e_{ij}$+$w_j$=0), and Euler ($\sum_{j=1}^{n} e_{ij}$+ e_i=0). Estimation is carried out by treating the nth good as a residual category and estimating the first n-1 equations. The uncompensated price and expenditure elasticities for the nth good are recovered using the theoretical aggregation above, and the compensated elasticities are obtained using the Slusky equation (Yen and Lin 2006). In the case of (*n-1)* non-residual goods, the uncompensated price and expenditure elasticities are computed using elasticity formulas (9) and (10):

$$e_{ij} = \left(\frac{\partial E\left(w_i\right)}{\partial \log p_j}\right)\left(\frac{1}{E(w_i)}\right) - \delta_{ij} \quad \ldots(9)$$

$$e_i = \left(\frac{\partial E\left(w_i\right)}{\partial \log x}\right)\left(\frac{1}{E\left(w_i\right)}\right) + 1 \quad \ldots(10)$$

Missing Prices

Censoring tends to bring about the problem of missing prices, since households with zero consumption provide no information on commodity prices. This is problematic in estimating demand systems due to lack of price data for a significant number of households. To offset this problem it is assumed that households living together in a cluster tend to face the same prices. Average cluster prices for each food item will be used to replace missing prices.

Endogenity in Price and Expenditure

Endogenity in prices usually arises when price determination of the commodities in question are determined by the forces of supply and demand. When this problem is not taken into account it usually leads to simultaneous equation bias where least square estimates of demand parameters became inconsistent and biased (Dhar et al 2003). Most of the studies done in developing countries make the assumption that food prices are exogenous since governments in developing countries often regulate food prices (Agbola 2003). For the case of Tanzania, food price regulation by the government is minimal and usually limited to maize. However the issue of price endogeneity is rarely likely to occur in cross sectional studies due to the nature of the data.

Endogenity in expenditures, are another common problem in food demand estimation, especially when estimating demand in developing countries where a large percentage of household income is spent on food purchases. To account for expenditure endogeneity we follow Blundell and Robin's (1999) approach which uses an augmented regression technique. It is a two-step approach, where total expenditures are first regressed on a set of exogenous variables and the instrument variable(s). The second step involves taking the residual from this regression and including it in the demand system estimation as an explanatory variable. According to Blundell and Robin (1999), testing for the significance of the residual serves as a test for exogeneity of the total expenditure in the demand equation. If the total expenditure is exogenous the coefficient of the residual is to be insignificant.

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Annex 5: Proposal - Food Basket Methodology Pilot

PROPOSAL

Piloting Food Basket Methodology towards Methodology Implementation

by *Division of National Food Security – Crop Monitoring and Early Warning Section*

(ref: MAFC-DNFS-CMEW-FBM Proposal, ©2015)

Overview

The Ministry of Agriculture Food Security and Co-operatives (MAFC) has the mandate to plan, appraise, implement and monitors all agriculture related activities under the agricultural sector. MAFC collaborates with Development Partners to ensure this industry is growing in a productive way. However, to attain this, the Ministry has set good agricultural policies and strategies for better implementation towards ensuring food security at household, sub-regional, regional and national level, income generation hence contributing in National Gross Domestic Product (GDP). In order to remain informed on the National food security situation, the Ministry has in place a clearly defined system of data collection, analysis and reporting for informed decisions by the government and other stakeholders.

Background

Food security in Tanzania is mainly based on Agriculture and agriculture is largely dependent on rainfall. From 1992/93, the Ministry of Agriculture through its Crop Monitoring and Early Warning Unit (CMEWU), developed and continues to operate the food security assessment procedure with designed tools to capture data, initially at a seasonal frequency involving the use of a sample survey questionnaire to address 'subjectivity' problems. Till now the Ministry through the Crop Monitoring and Early Warning Section (CMEW) has been undertaking collection of food crop production data with the interest of assessing and forecasting for food security in which the major outputs are Preliminary and Final Food crop forecasts reports. These have been very crucial in providing basic data for the management of food security in the country.

As an attempt to improve the food security monitoring system in the country, the USAID-SERA Project recommended expansion of the focus on food security assessment by inclusion of total food basket of staple foods through the adoption of the Food Basket Methodology (FBM). The methodology aims at measuring food access at the household level which to a larger extent is triggered by price and income of the household.

As a result, the SERA Project January and June 2014 conducted training on FBM to MAFC staff from Crop Monitoring and Early Warning section which was followed by field visit to three regions of Mbeya, Morogoro and Dodoma. The field visit was meant to collect information and data on food consumption and prices for the various consumed food items which were then used to calculate total food cost for the areas visited. Using National Panel Survey (NPS) retail prices obtained from NBS and regional per capita consumption of basic food items in the country the trainee were able to calculate cost of food basket using the FBM, analyse, presents results and draw some inferences emanating from the training. On winding up the discussions on the

training, a number of challenges were identified been among others: i) data collection was done at region and district markets and not from the rural settings ii) data collected focused on food consumed and prices but income and sources of income was not taken into consideration in order to establish a certain threshold for decision making. It was then seen that these challenges have to be addressed in a comprehensive manner before the methodology is adopted.

Faced with those challenges, a follow-up meeting between USAID SERA Project and DNFS Staff took place in November 2014 to discuss on the way forward in addressing the challenges. It was agreed from the meeting that a pilot phase is required before the actual implementation of the methodology is done. The piloting was proposed to countercheck the reliability of this methodology towards food security policy decision amidst the existing challenges. The current proposal is developed against this background.

The proposed pilot sampling method will focus in all zones namely Eastern, Central, South, Lake and Western this is to have a representative sample region per zone and validate food security information based on available market in the particular zone.

Goal

The main goal is to explore the possibility of Food Basket Methodology to be integrated to other methods of monitoring food security for policy decision making.

Objectives

a) To develop and sharpen skills in calculating the cost of the food basket for regions for three month period of time
b) To have an experiment with the use of existing data using this methodology
c) To develop food basket cost reports on current trends and make validation of the results for policy decision.

Activities

i. To select and agree the name of five regions for piloting
ii. Conducting Training of Trainers (ToT). Date and venue to be discussed with USAID- SERA Project management
iii. To collect relevant data from NBS for use in computation of food costs
iv. To Calculate FBC for agreed regions using the FBM template
v. To Interpret result and write report for the proposed regions
vi. To Present report to regional management for validation and comments
vii. To Present regional reports to DNFS management and (SERA projects to be invited)

Output

a) Report on the agreed regions
b) Number of ToT trained

Proposed Timeframe: 90 days (three months) subject to discussion

Annex 6: Questions to Proposal - Food Basket Methodology Pilot

April 14, 2015

Mr. Ombaeli Lemweli
Crops and Early Warning Section
Division of National Food Security
Ministry of Agriculture, Food Security and Cooperatives
P.O. Box 9192
Dar es Salaam, Tanzania

Dear Mr. Lemweli;

Thank you for the Proposal for Piloting Food Basket Methodology Towards Methodology Implementation (the Proposal). USAID/SERA is pleased to continue to provide support to the Ministry of Agriculture, Food Security and Cooperatives Division of National Food Security – Crop Monitoring and Early Warning Section (CMEW). The Proposal is consistent with previous discussion and the concept paper for the implementation of the Food Basket Methodology (FBM) developed in November 2014.

This letter outlines broad questions and specific points of clarification regarding the Proposal.
In previous discussions, it was agreed that the FBM can be implemented at any level, national, regional, district, ward, village, and household. But for the case of Tanzania, as far as data availability and reliability is concerned, it was agreed that this methodology will begin to be implemented at the Regional level, because retail prices, calories share, and income data are available at Regional level. It was also suggested that MAFC calculate and use the FBC while still looking for better income data for the estimation of access. The Proposal's goals, objectives and activities are consistent with this agreement, however we have some clarifications regarding the background and questions that need to be addressed in the pilot activity.

There are several broad questions that the Proposal can address that will help to clarify the activity.

- What are the questions and concerns of the CMEW regarding the FBM that the pilot seeks to address?
- What is the measurement of success for the pilot activity?
- How will this activity be evaluated?

- What is the process of evaluation and what are the possible next steps for implementation?

We have several specific questions about the background provided. In order to have a successful pilot, it is important that the activity reference and scope of work address the questions and concerns of the CMEW and that there is a common and agreed upon understanding of the background. Below are points that require clarification.

1. MAFC Statement (Page1, paragraph 3)

The methodology aims at measuring food access at the household level which to a larger extent is triggered by price and income of the household.

Clarification:

The FBM allows the food basket cost to be calculated over time to measure food cost trends. With timely price data, the method can provide early warning of an impending food crisis. The FBM aims at estimating the cost of a food basket based on consumption patterns and retail food prices at the regional level.

2. MAFC Statement (Page1, paragraph 4)

As a result, the SERA Project January and June 2014 conducted training on FBM to MAFC staff from Crop Monitoring and Early Warning section which was followed by field visit to three regions of Mbeya, Morogoro and Dodoma. *The field visit was meant to collect information and data on food consumption and prices for the various consumed food items which were then used to calculate total food cost for the areas visited.*

Clarification:

The primary purpose of the field study was to validate the assumptions provided by the regional data, not to collect data for analysis. The field trip guide from January 2014 "The fundamental goals of next week's field visits are to validate the food baskets we have calculated for Mbeya, Morogoro, and Dodoma and to get a sense of the population's access to these foods." Please see the attachment that was distributed to the participants of the FBM field trip training in January 2014.

3. MAFC Statement (Page 2, paragraph 1)

On winding up the discussion on the training, a number of challenges were identified been among others: *i) data collection was done at region and district markets and not from the rural settings ii) data collected focused on food consumed and prices but income and sources of income was not taken into consideration in order to establish a certain threshold for decision making.*

It was then seen that these challenges have to be addressed in a comprehensive manner before the methodology is adopted (point i and ii).

Clarification
The above stated questions are the only questions in the Proposal. There is no mention of these questions in the Objectives or Tasks. Are these questions to be addressed in the pilot phases? If so, what answers are being sought? Do the answers to these questions impact the success of the pilot? Are there other questions that need to be address in the pilot?

We propose to meet to discuss these questions. Please let us know when you are available.

Best regards,

Marialyce Mutchler
Chief of Party

SERA Policy Project
USAID Feed the Future

C.c. Hal Carey, Agriculture Officer and Policy Unit Lead, Economic Growth Office, USAID/Tanzania.

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